



OFFICE OF THE UNDER SECRETARY OF DEFENSE  
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PERSONNEL AND  
READINESS

JUN 30 2004

The Honorable Duncan Hunter  
Chairman  
Committee on Armed Services  
U.S. House of Representatives  
Washington, DC 20515


Dear Mr. Chairman:

Enclosed is a Department of Defense Report on the Family Subsistence Supplemental Allowance (FSSA) program, required by section 402a (f) of title 37, United States Code. This report covers the period October 1, 2002, through September 30, 2003.

The purpose of the FSSA program is to increase the basic allowance for subsistence of low-income members of the Armed Forces by an amount, with a \$500 limit, that would remove members' households from eligibility for food stamps. The report shows that 647 military members participated in the FSSA program. As expected, 70 percent of the participants are in the grades E3 and E4.

The FSSA program is serving its intended purpose of providing our most needy members with additional financial help. We do not expect the number of FSSA participants to increase by any significant amount, nor do we recommend any immediate changes to the program.

Sincerely,

  
Charles S. Abell  
Principal Deputy

Enclosure:  
As stated

cc:  
The Honorable Ike Skelton  
Ranking Member



**Report to Congress**

**Family Subsistence Supplemental Allowance**

**June 2004**

**Directorate of Compensation  
Office of the Assistant Secretary of Defense  
Force Management Policy  
(Military Personnel Policy)**

## *Introduction*

Section 604 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001, codified at section 402a of title 37, United States Code, established the Family Subsistence Supplemental Allowance (FSSA) for Low-Income Members of the Armed Forces. The intent of the legislation was to increase the Basic Allowance for Subsistence (BAS) by an amount that would remove a member's household from eligibility for the U. S. Department of Agriculture's (USDA) food stamp program. The maximum entitlement is \$500 per household, per month. Section 402a's effective date was May 1, 2001.

The law requires the Secretary of Defense, in consultation with the Secretary of Homeland Security, to submit an annual report to Congress specifying the number of members of the Armed Forces who received, at any time during the preceding year, the supplemental subsistence allowance. This document fulfills the 2004 requirement and covers the period October 1, 2002 through September 2003.

## *FSSA Program*

In fiscal year 2003, 647 military members participated in the FSSA program. This represents a 14 percent decrease since last year's FSSA Report to Congress. The Department attributes the decrease in the number of FSSA recipients to basic pay and housing allowance increases. The present authority for the FSSA program expires on September 30, 2006. The Department of Defense plans to pursue a fiscal year 2006 Unified Legislation and Budget Proposal (ULB) to make the FSSA Program permanent.

## *FSSA Participation*

The actual FSSA participation for the period October 1, 2002 to September 30, 2003 is shown for CONUS and OCONUS locations in Table 1.

**Table 1.**

### **CONUS PARTICIPATION**

<b>Pay Grade</b>	<b>Army</b>	<b>Navy</b>	<b>Air Force</b>	<b>Marines</b>	<b>Coast Guard</b>	<b>Total Participants</b>	<b>Tot Amnt Paid to this Grade</b>
E1	9	4	0	3	0	16	\$49,736
E2	26	10	0	2	0	38	\$129,766
E3	87	15	15	7	0	124	\$357,992
E4	218	26	17	9	2	272	\$834,471
E5	66	8	11	4	1	90	\$285,308
E6	12	0	2	0	0	14	\$38,965
E7	2	0	1	1	0	4	\$8,790
E8	0	1	0	0	0	1	\$1,605
W01	1	0	0	0	0	1	\$254
<b>Totals</b>	<b>421</b>	<b>64</b>	<b>46</b>	<b>26</b>	<b>3</b>	<b>560</b>	<b>\$1,706,887</b>

## OCONUS PARTICIPATION

Pay Grade	Army	Navy	Air Force	Marines	Coast Guard	Total Participants	Tot Amnt Paid to this Grade
E1	1	0	0	1	0	2	\$2,533
E2	2	0	0	0	0	2	\$6,715
E3	8	0	6	0	0	14	\$38,941
E4	39	0	4	0	0	43	\$150,437
E5	20	0	1	0	0	21	\$88,278
E6	3	0	1	0	0	4	\$16,779
E7	1	0	0	0	0	1	\$6,500
E8	0	0	0	0	0	0	0
<b>Totals</b>	<b>74</b>	<b>0</b>	<b>12</b>	<b>1</b>		<b>87</b>	<b>\$310,183</b>

	<b>Grand Total</b>	<b>647</b>	<b>\$2,017,070</b>
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Analysis of the above tables reveals the following information:

- There were 647 total FSSA participants in fiscal year 2003
- 70% of participants are in grades E3/E4
- 76% of all participants are in the Army
- 87% of participants are in the 48 contiguous states
- 13% of participants are in Alaska, Hawaii, and overseas locations
- 85% of overseas participants are in the Army
- 32% of the estimated number of military members eligible for the FSSA participate in the FSSA program
- Total amount paid out in 2003 was \$2,107,070
- Household sizes ranged from E1s with 2 people to one E8 with 12 people (Note: household size is not reflected in above table)

### *Summary*

The FSSA program is serving the purpose of providing our most needy members with additional financial help. Overall, the program is running well and as intended. Less than 9 hundredths of one percent of the Armed Forces are eligible for FSSA. Less than 5 hundredths of one percent of the total force participates in the FSSA program. We expect the number of FSSA participants to remain stable. All five Armed Forces agreed the FSSA program should be made permanent. The Department will pursue a fiscal year 2006 Unified Legislation and Budget proposal to make the FSSA Program permanent.